

Alabama Storm Shelter Tax Credit Act#2021-540

Alabama Emergency Management Agency, in conjunction with the Alabama Department of Revenue, is tasked with administering the provisions of the Alabama Storm Shelter Tax Credit Act.

AEMA's responsibility is to collect an annual information report filed by the taxpayer, which reflects the costs for construction, acquisition, or installation of the qualified storm shelter at the primary residence, along with additional information as required by the AEMA. After which, AEMA will issue a credit certificate to the taxpayer.

Alabama EMA is in the process of creating a website where documentation can be submitted.

For questions about documentation for the storm shelter tax credit, contact Alabama Emergency Management Agency at (205) 280-2200.

For questions about processing the storm shelter tax credit, contact Alabama Department of Revenue Individual Income Tax at (334) 242-1170 Option #1.

Key Points

- Eligible taxpayers who incur costs for the construction, acquisition, or installation of a qualified storm shelter at their primary residence in the state of Alabama will be eligible for an income tax credit for the storm shelter.
- The tax credit will equal three thousand dollars (\$3,000) or 50 percent of the total cost of the construction, acquisition, and installation of the qualified storm shelter at the primary residence, whichever is less.
- The total costs for qualification of the tax credit will exclude any costs reimbursed or expected to be reimbursed by any other reimbursements, grants, or other government subsidies or incentives.
- The statewide tax credit is limited to a collective amount for all taxpayers of two million dollars (\$2,000,000) annually.
- The taxpayer will file an annual informational report in a manner given by the Alabama Emergency Management Agency, which includes information reflecting the costs for construction, acquisition, or installation of the qualified storm shelter at the primary residence, along with additional information as required by the Alabama Emergency Management Agency.
- Alabama Emergency Management Agency will issue a tax credit certificate to the taxpayer seeking the credit.
- Tax credit certificates will be first-come, first-served until the annual cap is met.
- After reaching the annual cap, all eligible taxpayers with applications awaiting approval or submitted will be notified, by AEMA, that there will be no additional tax credits approvals during that tax year. The taxpayers will be allowed to seek a tax credit certificate in the next tax year, subject to the limitations of the annual cap.
- The tax credits allowed will be effective January 1, 2022, for the 2022 tax year and will continue through the 2025 tax year unless continued by an act of the Legislature.